Staff Response to Applicant Comments on Conditions of Approval (Exhibit B-1)
Applicant Letter Dated September 21, 2016

Condition #	Applicant Comments	Revised Condition Language	Staff Comments
21	Applicant objects to requiring an evaluation of the lighting and reduction in lighting at the existing refinery since it is part of the baseline. Also objects to only being allowed to meet minimum lighting standards since may not be safe work workers.	**MM AV-3c - Existing Facility and Operations Lighting Evaluation**. **Prior to issuance of grading and construction permits**, the applicant shall submit a comprehensive evaluation of the existing refinery facility and operations lighting to the Department of Planning and Building for review and approval showing the following: a. The Existing Facility and Operations Lighting Evaluation shall be prepared by a qualified engineer who is an active member of the Illuminating Engineering Society of North America (IESNA). b. The Existing Facility and Operations Lighting Evaluation shall assess the sources and levels of all existing lighting associated with the refinery operations, and shall determine ~~if any lighting levels exceeds the minimum required by applicable County of San Luis Obispo, state and federal safety regulations.~~what, if any, changes can be made to the lighting to reduce nighttime glare. This will include but not be limited to lighting direction, shielding, use of motion sensors, and use of Dark Sky compliant lighting. ~~c. If lighting levels exceed the applicable regulations, the Existing Facility and Operations Lighting Evaluation shall make specific recommendations to reduce the lighting levels to the minimum required.~~ The project applicant shall implement all recommendations made by the Lighting Evaluation Report and required by the Department of Planning and Building.	With the addition of the rail spur project additional lighting will be added in the vicinity of the refinery. This will increase the cumulative lighting impacts in the area. Anything that can be done to reduce the overall lighting impacts of the existing refinery, without compromising safety, would reduced the cumulative lighting impacts in the area of the refinery. Suggested changes have been made to the condition language to address the concern about minimum lighting standards and the potential impacts on worker safety. The condition now lists items that can be implemented if needed to reduce nighttime glare.

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22	Applicant has not been able to find a contractor that can provide all CARB Tier 4 certified diesel construction equipment.	c. Applicant shall include the following, in addition to complying with state Off-Road Regulations, in order to reduce peak daily/quarter ROG+NO_x emissions: 1) Use CARB Tier 4 certified diesel construction equipment off-road heavy-duty diesel engines to the maximum extent feasible and 2) Stagger the construction schedule to prevent peak day/quarter emissions from exceeding the threshold (for example, no site preparation during grading and soil transport);	For the large off-road construction equipment (hp greater than 750) new equipment had to start meeting the Tier 4 standard in 2015. New smaller off-road construction equipment (hp greater than 175) had to start meeting the standard in 2014. It will take some time before all off-road construction equipment meets the Tier 4 standard. This will occur over time as old equipment is replaced with newer models. Staff is recommending modifying sub section c of condition 22 to require Tier 4 engines to the "maximum extent feasible". The applicant would still be required to offset the construction NOx and ROC emissions, and use CARB Level 3 diesel particulate filters of equivalent controls to achieve an 85 percent reduction in diesel particulate emissions.
26	Applicant has requested that the applicable CEQA emission threshold values be added to the condition.	**MM AQ-1e - Prior to issuance of grading and construction permits, or during construction**, if emissions of ROG+NO_x with the above mitigations still exceed the thresholds (137 lbs per day or 2.5 tons per quarter), the Applicant shall secure SLOCAPCD-approved onsite or off-site reductions in ROG+NO_x emissions to ensure that ROG+NO_x emissions do not exceed the SLOCAPCD quarterly thresholds. Coordination with the SLOCAPCD should begin at least six (6) months prior to issuance of grading and/or construction permits for the Project to allow time for refining calculations and for the SLOCAPCD to review and approve the Construction Activity Management Plan (CAMP) and on-site or off-site mitigation approach.	The applicable CEQA threshold values have been added to the condition.
27	Applicant has not been able to find a contractor that can provide all heavy	p. The primary project construction contractor will prepare and implement a worker training program	Staff is recommending that the language in sub section p, #1 of condition 27 be modified to

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	equipment with HEPA-filtered air-conditioned enclosed cabs	that describes potential health hazards associated with Valley Fever, common symptoms, proper safety procedures to minimize health hazards, and notification procedures if suspected work- related symptoms are identified during construction. The worker training program will identify safety measures to be implemented by construction contractors during construction. Safety measures will include: 1) Providing HEPA- filtered air- conditioned enclosed cabs on heavy equipment to the maximum extent feasible.	include the language "to the maximum extent feasible".
31	Applicant has requested that the applicable CEQA emission threshold values be added to the condition.	**MM AQ-2a - Prior to issuance of Notice to Proceed**, the Applicant shall provide a mitigation, monitoring and reporting plan updated annually. The plan shall investigate methods for reducing the onsite emissions, both from fugitive components and from other SMR activities (such as the diesel pumps, trucks, and compressors to reduce DPM). The plan shall indicate that, on an annual basis, if onsite emissions of ROG+NO_x and DPM from the Project still exceed the thresholds (25 lbs a day and 25 tons per year for ROG+NO_x, and 1.25 lbs per day for DPM) as measured and confirmed by the SLOCAPCD, the Applicant shall secure SLOCAPCD-approved onsite and/or offsite emission reductions in ROG+NO_x and DPM emissions or contribute to new or existing programs to ensure that onsite project-related ROG+NO_x and DPM emissions do not exceed the SLOCAPCD thresholds. Coordination with the SLOCAPCD should begin at least six (6) months prior to issuance of the Notice to Proceed for the Project to allow time for refining calculations and for the SLOCAPCD to review and approve any required ROG+NO_x and DPM emission reductions.	The applicable CEQA threshold values have been added to the condition.

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33	The Applicant objects to the prohibition on the transportation of crude oil to the refinery by truck. They state that feedstock delivery by truck is a longstanding practice for the refinery under certain circumstances. The Applicant has requested that the condition be modified to allow trucking of coke and sulfur from the refinery and delivery of feedstock, including crude oil, to the refinery to an annual average maximum of 49 trucks per day.	**MM AQ-4b - All trucks under contract to the SMR for moving coke and sulfur** shall meet EPA 2010 model year NO_x and PM emission requirements and a preference for the use of rail over trucks for the transportation of coke shall be implemented to the extent feasible in order to reduce offsite emissions. Trucking of coke and sulfur from the refinery shall be limited to an annual average maximum of 49 trucks per day. **In addition, no crude oil shall be delivered to the refinery, or transported from the refinery by truck. Annual truck trips associated with refinery operations and their associated model year and emissions shall be submitted to the SLOCAPCD annually**.	Staff is recommending that no change be made to the condition. The FEIR did not address the trucking of crude oil to the refinery in combination with rail delivery since the Applicant had submitted a letter as part of the Throughout Project that stated they did not truck crude since the refinery had no equipment available to unload crude.
34	The Applicant has requested that the hour limits on the locomotives should not apply when the trains are exclusive Tier 4 locomotives.	**MM AQ-4c - Crude oil train ~~unloading and~~ switching activities at the SMR** shall be limited to the period of 7 a.m. to 7 p.m. to reduce the emissions during periods of calm meteorological conditions. Reports shall be submitted to the County and APCD indicating the time of arrival, the start and end time of train switching break-apart and unloading and departure time. These time limits do not apply to pull-in of the unit trains from the mainline. When a ~~unit~~ train is pulled in between 7 p.m. and 7 a.m., the locomotives shall shut down until the allowed ~~unloading~~ switching time starting at 7 a.m. No switching or breaking apart of trains or any other locomotive activity is allowed between 7 p.m. and 7 a.m. except for the minimum activity needed to move ~~the~~ a unit train onto the SMR property from the UPRR mainline.	This condition was required to assure that the cancer risk is below the 10 in one million threshold. The cancer risk, which is a cumulative dose over 30 years, is driven by the diesel particulate emissions from the locomotives. Since the cancer risk is a cumulative dose over 30 years, unless all Tier 4 locomotives are used for the life of the project, then some level of time restriction would be required to keep the cancer risk below 10 in one million. Since UPRR controls the type of locomotives used, the County and the Applicant could not assure the use of all Tier 4 engines for the life of the project. Staff is recommending modifying the condition to limit the hours of operation to the locomotives only. This would allow the Applicant to complete the unloading of cars that were in the process of being unloading at 7 p.m., but would

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			not allow the movement of any rail cars at the project site between the hours of 7 p.m. and 7 a.m..
35	The Applicant objects to having to offset the GHG emissions from the rail spur project to zero. They have suggested that only GHG emissions above 10,000 tons should have to be offset since this is the CEQA threshold.	**MM AQ-6/8 - Prior to issuance of the Notice to Proceed**, Prior to issuance of the Notice to Proceed, the Applicant shall provide a GHG mitigation, monitoring and reporting plan for the onsite GHG emissions. The plan shall investigate methods to bring the onsite Rail Spur Project GHG emissions at the refinery to zero for the entire project each year. The plan shall indicate that, on an annual basis, if after all onsite mitigations are implemented, the onsite GHG emissions from the Rail Spur Project still exceed zero, then SLOCAPCD-approved off-site mitigation will be required. Methods could include the contracting arrangement that increases the use of more efficient locomotives, or through other, onsite measures. Coordination with the SLOCAPCD should begin at least six (6) months prior to issuance of operational permits for the Project to allow time for refining calculations and for the SLOCAPCD to review and approve the mitigation approach.	Staff is recommending that no change be made to the condition. Impact AQ.8 in the FEIR addressed the cumulative GHG emission impacts of the rail spur project and the throughput increase project. The throughput increase project increased GHG emissions at the refinery by about 20,470 $MTCO_2E$ per year. As part of the approval for the throughput project GHG emissions were offset to less than 10,000 $MTCO_2E$ per year. To assure that the cumulative GHG emissions stay below the 10,000 $MTCO_2E$ threshold, all of the rail spur project GHG emissions need to be offset.
73	The Applicant is requesting that the condition be modified to allow for the use of DOT-117, 117P and 117R tank cars. The Applicant also requests that language addressing the delay in the requirement for EPC breaks be added to the condition until such time as the FRA and PHMSA enforce this requirement.	**MM HM-2a - Only rail cars designed to DOT-117/117P standards** set forth in 49 CFR § 179.202 (as published May 8, 2015 at 80 Fed. Reg. 26644) shall be allowed to unload crude oil at the Santa Maria Refinery. EPC~~CP~~ brakes shall not be required prior to the compliance date for such equipment as enforced by the Federal Railroad Administration and the federal Pipeline and Hazardous Materials Safety Administration. If DOT adopts new rail car design standards for Class 3 flammable liquids in the future, th~~e~~an the Applicant	Staff is recommending a number of changes to condition 73. The first is to include the use of DOT-117 and DOT-117P tank cars. These two tank cars designs are the most stringent currently approved by DOT for use with Class 3 flammable liquids. Staff has not included DOT-117R, which is the retrofit standard for CPC-1232 tank cars since it is less stringent. As discussed in Section 4.7 of the FEIR, use of DOT-117/117P tanker cars would reduce the probability of a release from a rail car by about

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		shall use the most stringent DOT approved tank car design for the rail cars that unload at the SMR.	73.9% percent over the CPC-1232. Use of the DOT-117R tanker cars would reduce the probability of a release from a rail car by about 65.9% percent over the CPC-1232 rail car design. The Applicant will own or lease the rail cars and therefore, this condition would not be preempted since it would not affect the performance of the rail carrier with regard to transportation. December 2015 The Fixing America's Surface Transportation (FAST) Act was passed and when into law. The law requires the Comptroller General to conduct an independent evaluation of ECP brakes and requires DOT to conduct testing of ECP brakes with the National Academy of Sciences and specifies conditions of that testing framework. Requires w/in 6 months after receiving results of that testing whether ECP benefits outweigh costs. If ECP brakes are justified, then DOT must publish reasons for that determination. If not, then ECP brake system requirements are repealed. Therefore, staff is recommending adding text to reflect the delay in requiring ECP brakes on the rail cars. Staff is recommending adding text to the condition to assure that if new rail car designs standards are adopted by DOT in the future that the most stringent approved design shall be used at the unloading facility.
76	The Applicant is objecting to the limit on the hours for unloading operations and wants the language changes to limit the	**MM N-2a - Prior to issuance of the Notice to Proceed**, the Applicant shall develop for review and approved by the County Department of Building and	This condition needs to be consistent with condition #34 which limited the hours locomotive can operate at the site due to cancer

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	hours to between 10 p.m. and 7 a.m..	Planning a Rail Unloading and Management Plan that addresses procedures to minimize noise levels at the rail spur, including but not limited to the following: 1) oil train ~~unloading and~~ switching activities at the SMR shall be limited to the period of 7 a.m. to 7 p.m.; 2) when a unit train is pulled in between 7 p.m. and 7 a.m., the locomotives shall shut down until the allowed ~~unloading~~ switching time starting at 7 a.m. No switching or breaking apart of trains or any other locomotive activity is allowed between 7 p.m. and 7 a.m. except for the minimum activity needed to move the unit train onto the SMR property.; 3) no horns, annunciators or other signaling devices shall be allowed onsite unless it is an emergency. If horns and annunciators are needed onsite for worker safety, then warning devices shall be developed, to CPUC standards, to alert the safety of plant personnel when trains are in motion without an audible warning device.; 4) Any trains repairs shall be conducted only between the hours of 7 ~~A.M.~~a.m. and 7 ~~P.M~~p.m..	risk impacts. Condition #34 limits locomotive activities to between the hours of 7 a.m. and 7 p.m., with the exception of a train arriving at the site from the UPRR mainline. Use of a 10 p.m. limit would be inconsistent with the requirements of Condition #34. Staff is recommending that this condition be modified to be consistent with the recommended changes to Condition # 34.
94	The Applicant objects to the entire condition that requires the development of docent lead coastal access. ~~t~~The Applicant states that evidence in the record supports a determination by the Planning Commission that coastal access is not appropriate at this location consistent with the provisions of The Coastal Zone Land Use Ordinance, Section 23.04.420 (c).	**Vertical coastal access is consistent with CZLUO requirements for public safety, military security, and need for protection of fragile coastal resources**, therefore access shall be limited to docent ~~lead~~ led pedestrians, no motor vehicles or bicycles shall be allowed.	Staff is recommending no change to this condition and does not agree with the assertions of the Applicant.